

**Proposed Substitute  
Bill No. 5203**

LCO No. 2587

**AN ACT CONCERNING PROPERTY TAX DEFERRALS FOR ELDERLY PERSONS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective October 1, 2020, and applicable to assessment*  
2       *years commencing on or after October 1, 2020*) (a) For purposes of this  
3       section, "qualified taxpayer" means (1) an elderly person of qualified age  
4       pursuant to this section, (2) the spouse of such person, provided the  
5       spouse is of qualified age pursuant to this section and domiciled with  
6       such person, (3) a surviving spouse of qualified age pursuant to this  
7       section of a person who at the time of such person's death had qualified  
8       and was entitled to tax relief under this section, provided such surviving  
9       spouse was domiciled with such person at the time of the person's  
10      death, (4) a person, who himself or herself, or his or her spouse, has been  
11      a resident of the state not less than ten years before applying for tax relief  
12      pursuant to this section and has occupied the property for which tax  
13      relief is sought as his or her primary home for not less than five years,  
14      (5) a person who is not delinquent on any prior year taxes on such  
15      property and maintains homeowner's insurance on such property, and  
16      (6) a person whose taxable and nontaxable income in the tax year  
17      preceding the date of application for relief under this section was not in  
18      excess of limits set forth by a municipality in accordance with this  
19      section.

20      (b) Any municipality, upon approval of its legislative body, may

21 annually permit an owner of real property or any tenant for life or for a  
22 term of years liable for property taxes under section 12-48 of the general  
23 statutes who is a qualified taxpayer to defer paying property taxes, in  
24 an amount not to exceed fifty per cent of such taxpayer's proportional  
25 share of the full and fair cash value of the property for which tax relief  
26 is sought. The municipality may set age and income eligibility  
27 requirements for such tax deferral and limit the number of such  
28 deferrals that may be granted to any qualified taxpayer.

29 (c) A municipality granting a tax deferral pursuant to this section  
30 shall have a lien, which shall take priority over all other liens, except for  
31 another lien filed by such municipality, against such taxpayer's property  
32 in the amount of the deferred taxes with administrative fees and interest  
33 compounded at not more than ten per cent annually. Notwithstanding  
34 the provisions of this subsection, upon the death of the qualified  
35 taxpayer, the heirs-at-law, assignees or devisees of such taxpayer shall  
36 have first priority to the real property for which a tax deferral was  
37 granted by paying in full the total taxes which would otherwise have  
38 been due, plus interest.

39 (d) A person applying for a tax deferral pursuant to this section shall  
40 annually apply for such deferral on a form prescribed by the  
41 municipality's chief assessment authority with any documentation  
42 required by such authority. The municipality's chief assessment  
43 authority shall annually send to a qualified taxpayer written notice of  
44 the tax liability incurred by such taxpayer.

45 (e) If title to the real property for which tax relief is sought pursuant  
46 to this section is recorded in the name of the qualified taxpayer and any  
47 other person or persons, the qualified taxpayer shall be entitled to  
48 request a deferral of his or her fractional share of the tax on such  
49 property and such other person or persons shall pay the person's or  
50 persons' fractional share of the tax without regard for the provisions of  
51 this section. For the purposes of this section, a "mobile manufactured  
52 home", as defined in section 12-63a of the general statutes, shall be

53 deemed to be real property.

54 (f) If a qualified taxpayer transfers, assigns, grants or otherwise  
55 conveys subsequent to the first day of October, but prior to the first day  
56 of August, in such assessment year the interest in real property for  
57 which a tax deferral is granted, regardless of whether such transfer,  
58 assignment, grant or conveyance is voluntary or involuntary, the  
59 amount of such tax deferral shall be a pro rata portion of the amount  
60 otherwise applicable in such assessment year to be determined by a  
61 fraction the numerator of which shall be the number of full months from  
62 the first day of October in such assessment year to the date of such  
63 conveyance and the denominator of which shall be twelve. If such  
64 conveyance occurs in the month of October the grantor shall be  
65 disqualified for such tax deferral in such assessment year. The grantee  
66 shall be required within a period not exceeding ten days immediately  
67 following the date of such conveyance to notify the assessor thereof, or  
68 in the absence of such notice, upon determination by the assessor that  
69 such transfer, assignment, grant or conveyance has occurred, the  
70 assessor shall determine the amount of tax deferral benefit to which the  
71 grantor is entitled for such assessment year with respect to the interest  
72 in real property conveyed and notify the tax collector of the reduced  
73 amount of such benefit. Upon receipt of such notice from the assessor,  
74 the tax collector shall, if such notice is received after the tax due date in  
75 the municipality, no later than ten days thereafter mail or hand a bill to  
76 the grantee stating the additional amount of tax due as determined by  
77 the assessor. Such tax shall be due and payable and collectible as other  
78 property taxes and subject to the same liens and processes of collection,  
79 provided such tax shall be due and payable in an initial or single  
80 installment not sooner than thirty days after the date such bill is mailed  
81 or handed to the grantee and in equal amounts in any remaining,  
82 regular installments as the same are due and payable.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>October 1, 2020, and applicable to assessment years commencing on or after October 1, 2020</i>	New section
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